

EXHIBIT 18



Deposition of:
Robert Blair Thomas

December 16, 2020

In the Matter of:
EIG v. Petrobras

Veritext Legal Solutions
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1 industry. 11:41:06

2 And so taking a view on the -- you know, 11:41:10

3 the quality of those reserves and what the 11:41:15

4 implication -- what that meant for Brazil and for 11:41:19

5 Petrobras were a critical piece of our decision not 11:41:22

6 only on this investment, but our other Brazil 11:41:25

7 investments. It is the dominant theme of the 11:41:31

8 energy industry in Brazil is the development of the 11:41:34

9 presalt. 11:41:36

10 So I mean, that was -- that was the 11:41:40

11 overarching framework for why we found the sector 11:41:42

12 attractive, and then it came down to the 11:41:48

13 particulars of each individual opportunity and 11:41:50

14 whether or not it had the -- you know, the right 11:41:51

15 structure and contractual framework to support an 11:41:54

16 investment. 11:41:58

17 Q. And what factors -- are there any other 11:42:01

18 factors EIG considered in making its investment in 11:42:04

19 Sete? 11:42:06

20 A. Sure. Again, there -- it's -- in any 11:42:09

21 investment decision there are dozens and dozens of 11:42:14

22 factors that we consider. Again, in terms of the 11:42:17

Page 115

1 primary ones, as I said, it was the underlying 11:42:22
2 importance of the asset and the quality of the 11:42:26
3 asset that was being developed, it was the 11:42:28
4 contractual framework and the credit quality of the 11:42:33
5 counterparty, it was -- and then it was -- among 11:42:38
6 other factors, it was the support of, you know, 11:42:43
7 most, if not all, of the key institutions in the 11:42:49
8 host country. 11:42:55

9 Q. Is there an EIG document that would 11:42:58
10 indicate the factors EIG considered in making its 11:43:01
11 investment in Sete? 11:43:04

12 A. Well, there's several things. Ultimately 11:43:11
13 the analysis that gets -- you know, a typical 11:43:16
14 investment for us takes between six and nine months 11:43:20
15 from start to finish, and so these are long, 11:43:26
16 painful processes with lots of steps and most 11:43:31
17 investment opportunities don't make it through it. 11:43:36
18 So most, you know, fail at some point in the 11:43:39
19 process. So as it goes along we're continually 11:43:43
20 assessing it. 11:43:49

21 Ultimately it gets turned into a single 11:43:50
22 document which is what's known as an investment 11:43:52

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1 recommendation, but an investment recommendation is 11:43:54
2 really just a summary of what has typically been 11:43:58
3 months of work getting to that point and numerous 11:44:05
4 conversations along the way. It's not that it just 11:44:07
5 gets sprung on us that, you know, here's a 11:44:10
6 decision. 11:44:12

7 So -- and then ultimately the decision 11:44:19
8 rests with the seniormost people in the firm who 11:44:20
9 comprise the investment committee, who each of us 11:44:24
10 have decades of experience. So we apply the 11:44:28
11 judgment that each of us have individually having 11:44:31
12 seen dozens if not hundreds of similar 11:44:34
13 opportunities around the world. 11:44:37

14 Q. Does the investment recommendation 11:44:39
15 summarize or reflect the factors EIG considered in 11:44:41
16 making its investment in Sete? 11:44:45

17 A. Several of them, but it's not meant to be 11:44:50
18 encyclopedic. So... 11:44:54

19 Q. Are there other documents that I could 11:44:57
20 look at that would tell me what other factors EIG 11:44:59
21 considered in making its investment in Sete? 11:45:02

22 A. I mean, the other documents would be the 11:45:12

1 due -- you know, the diligence documents that are 11:45:14
2 prepared along the way. Ultimately those roll up 11:45:17
3 and presumably get summarized in the investment 11:45:21
4 recommendation, but, you know, it's not a 11:45:24
5 mechanical process. As I said, at the end of the 11:45:25
6 process, the ultimate decision rests with, you 11:45:28
7 know, the four or five most people -- senior people 11:45:31
8 in the firm who exercise business judgment, and 11:45:34
9 each of us brings something different to that 11:45:37
10 discussion. 11:45:40

11 Q. Is the decision to invest in Sete made by 11:45:41
12 the investment committee for each of the funds that 11:45:45
13 made investments? 11:45:48

14 A. That's correct. 11:45:49

15 Q. Okay. Who did the analysis of the 11:45:50
16 investment in Sete? 11:45:54

17 A. With Sete, as with all transactions, 11:45:58
18 there's a deal team that's assembled when an 11:46:01
19 opportunity comes in, and then typically, again, as 11:46:06
20 months go by if the opportunity continues to be of 11:46:10
21 interest, you know, people are added to it along 11:46:15
22 the way and ultimately at the end, you know, it can 11:46:18

1 be, you know, six, eight, ten people on the team, 11:46:23

2 but it builds over time. 11:46:27

3 Q. Who was on the team that analyzed the 11:46:32

4 potential investment in Sete Brasil for EIG? 11:46:35

5 A. The people that come to mind in terms of 11:46:37

6 the actual deal team would be Kevin Corrigan, Kevin 11:46:40

7 Lowder, Simon Hayden, Hoshnav Patel. I'm not sure 11:46:48

8 of what other junior people would have been 11:47:14

9 involved. And then there's kind of a quality 11:47:15

10 control process that we go through where prior to 11:47:27

11 something coming to investment committee there'd be 11:47:30

12 a discussion among a subset of the investment 11:47:33

13 professionals, and I don't know who was part of 11:47:40

14 that in this particular transaction. 11:47:43

15 Q. Did Mr. Talbot have any part in evaluating 11:47:45

16 the Sete Brasil investment for EIG? 11:47:49

17 A. Yes. 11:47:53

18 Q. What was his role in evaluating the Sete 11:47:54

19 Brasil investment? 11:47:56

20 A. So Kurt was one of the members of the 11:47:58

21 investment committee, and in addition to that he 11:48:02

22 had a role which was kind of a coordinating role 11:48:08

1 A. I don't recall what its name is. We refer 14:21:36
2 to it internally as the sidecar. 14:21:40

3 Q. The sidecar. Okay. 14:21:42

4 A. Yes. 14:21:44

5 Q. All right. And do you know whether that 14:21:44
6 made an investment in Sete Brasil? 14:21:45

7 A. I don't -- I don't recall. 14:21:52

8 Q. Okay. 14:21:52

9 And this document -- do you remember 14:21:56
10 anything about the discussion of Sete Brasil at 14:21:57
11 this September 16, 2011 investment committee 14:22:01
12 meeting? 14:22:06

13 A. What I recall is that there was growing 14:22:09
14 consternation that the company hadn't finalized the 14:22:15
15 allocations for the equity in the company, there 14:22:24
16 were -- the amount of equity that they were going 14:22:26
17 to raise was a moving target, and I remember a 14:22:29
18 growing level of frustration internally that, you 14:22:37
19 know, the company didn't have the stuff resolved. 14:22:43

20 Q. "The company" being Sete? 14:22:46

21 A. Correct. 14:22:47

22 Q. Okay. But if you look at the last page of 14:22:48

1 this document -- actually the second-to-last page, 14:22:54
2 it shows that the investment committee approved the 14:22:59
3 investment, correct? 14:23:04

4 A. That's correct. 14:23:05

5 Q. And at this -- same question as I asked 14:23:06
6 for Fund XIV. At any point in time did Fund XV -- 14:23:10
7 the Fund XV investment committee reconsider its 14:23:14
8 commitment to contribute capital to Sete Brasil? 14:23:18

9 A. No. Its -- its process and consideration 14:23:25
10 were identical to Fund XIV. 14:23:31

11 Q. Okay. And that was that Fund XV made a 14:23:33
12 commitment to -- to invest capital in Sete Brasil 14:23:37
13 and it followed through on its commitment? 14:23:42

14 A. That's correct. 14:23:44

15 Q. Okay. 14:23:45

16 Do you know whether Fund XV paid any 14:23:51
17 capital calls or made any capital contributions to 14:23:53
18 Sete Brasil during judicial reorganization? 14:23:56

19 A. It would be identical to Fund XIV. So one 14:23:59
20 of the requirements for doing this was that they 14:24:02
21 had to be pari passu. 14:24:05

22 Q. And we looked earlier at the advisory 14:24:10

1 committee approval relating to that point, right? 14:24:14

2 A. Correct. 14:24:17

3 Q. Okay. And once that advisory committee 14:24:18

4 approval had been given, were there any additional 14:24:20

5 steps in the EIG investment process before -- 14:24:24

6 before the decision was considered final? 14:24:29

7 A. Well, final is -- only occurs upon us 14:24:40

8 entering into a binding commitment. And so -- so 14:24:43

9 that happened subsequent to that where we entered 14:24:50

10 into that commitment, but, you know, from an 14:24:52

11 approval process I don't recall any other steps. 14:24:56

12 Q. Okay. In fact, didn't you enter into a 14:24:58

13 binding commitment prior to the approval process? 14:25:01

14 A. There had been a commitment -- I recall 14:25:04

15 entering into a commitment earlier in the summer of 14:25:08

16 2011. That commitment had never been -- I don't 14:25:11

17 know if accepted is the right word, but the company 14:25:20

18 had not allocated share capital to the new 14:25:22

19 investors at that point in time. So we were in a 14:25:29

20 little bit of limbo. 14:25:33

21 Q. Okay. Okay. But that was one of the 14:25:38

22 conditions subsequent to your agreement, correct? 14:25:44

1 Brazil's ability to come through on time and on 14:34:06

2 budget"; do you see that? 14:34:09

3 A. I do. 14:34:11

4 Q. Okay. Was Credit Suisse involved in the 14:34:12

5 Sete Brasil investment? 14:34:16

6 A. Not to my knowledge. 14:34:19

7 Q. Okay. When you received this e-mail from 14:34:20

8 Mr. Corrigan -- do you remember receiving it? 14:34:23

9 A. I do not. 14:34:28

10 Q. Okay. And so do you remember taking any 14:34:29

11 action as a result of it? 14:34:32

12 A. I do not. 14:34:35

13 Q. So at this point, this is almost a year 14:34:36

14 after the investment committee meeting in September 14:34:38

15 of 2011, what -- what could -- what did EIG do with 14:34:42

16 this type of information as of August 31st, 2012? 14:34:48

17 What was your expectation as to what -- what use 14:34:56

18 EIG could put information like this as of 14:34:59

19 August 31st, 2012? 14:35:02

20 A. Well, the way we manage our portfolios, 14:35:07

21 once the investment is made every quarter all of 14:35:16

22 the investment professionals get together and we do 14:35:22

1 what's known as a quarterly review and we review 14:35:26
2 every investment in the portfolio, and the deal 14:35:28
3 team provides an update of current developments and 14:35:32
4 then we track the investment -- the performance 14:35:38
5 relative to the original expectations. And so we 14:35:44
6 did that on this investment like we do with all 14:35:48
7 investments. 14:35:50

8 Q. So once EIG has committed itself to an 14:35:51
9 investment, the addit- -- any additional 14:35:57
10 information that it receives that's relevant to 14:36:01
11 that investment is considered in connection with 14:36:02
12 tracking the performance of its investment? 14:36:05

13 A. That's correct. 14:36:10

14 Q. Is that information used in any way to 14:36:11
15 reconsider whether or not to move forward with the 14:36:12
16 investment? 14:36:16

17 A. Well, I'm not sure what you mean with 14:36:21
18 "move forward" because once we've made the 14:36:24
19 commitment, the only way for us not to move forward 14:36:26
20 is to -- is to believe that there's some excuse 14:36:29
21 provision in the contract that would allow us -- 14:36:34
22 give us the right to not participate. 14:36:37

Page 196

1 Q. Okay. And with respect to Sete Brasil, 14:36:39

2 that's not something that EIG evaluated, correct? 14:36:42

3 A. We certainly did not -- no, we did not 14:36:59

4 evaluate it, certainly not in 2012. 14:37:02

5 Q. Okay. All right. 14:37:04

6 So the purpose of the quarterly reviews of 14:37:08

7 EIG's investments is in order to track the progress 14:37:10

8 of the investment; is that fair? 14:37:14

9 A. Yes. 14:37:16

10 Q. Okay. You also have a quarterly valuation 14:37:17

11 committee exercise, correct? 14:37:22

12 A. That's correct. 14:37:24

13 Q. And you're on the valuation committee for 14:37:24

14 EIG, right? 14:37:27

15 A. I chair that committee, yes. 14:37:29

16 Q. Who else was on that committee between 14:37:30

17 2012 and 2016? 14:37:33

18 A. I would expect it to be Randy Wade, Kurt 14:37:45

19 Talbot, and then we have nonmember participants in 14:37:49

20 those meetings that would include the CFO, who was 14:37:56

21 Pritpal Aujla. 14:38:05

22 THE REPORTER: Can you spell that. 14:38:07

1 THE WITNESS: Aujla, A-U-J-L-A. 14:38:09

2 THE REPORTER: First name? 14:38:14

3 MR. WOLINSKY: Pritpal is P-R-I-T-P-A-L. 14:38:17

4 THE REPORTER: Thank you. 14:38:20

5 THE WITNESS: Correct. Sorry. 14:38:21

6 A. So the CFO is a nonmember participant, the 14:38:24

7 head of compliance. So those two were involved, 14:38:30

8 and then -- then occasionally there would be other 14:38:42

9 people. 14:38:44

10 Q. And what is -- what is the exercise that 14:38:45

11 the valuation committee does on a quarterly basis? 14:38:47

12 A. Every quarter we're obligated under our 14:38:51

13 fund documents, as well as the SEC, to report 14:38:53

14 what's known as a fair value on our portfolios. 14:39:00

15 Q. Okay. And how do you go about valuing 14:39:04

16 each investment? 14:39:08

17 A. We do it from the bottom up. So we -- 14:39:11

18 each investment has its own model, the deal team is 14:39:16

19 responsible for maintaining that, and they update 14:39:21

20 it on a quarterly basis. That gets pulled together 14:39:27

21 into a quarterly update, this quarterly review that 14:39:32

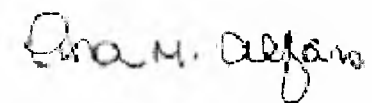
22 they provide. 14:39:36

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18 My Commission expires October 31, 2025.

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